

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
INBOUND E-FORMAT LETTER POST

Docket No. CP2021-94

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO NOTICE OF PRELIMINARY DETERMINATION**  
(June 21, 2021)

The United States Postal Service (“Postal Service”) respectfully submits this short response to the Notice of a Preliminary Determination to Unseal Self-declared Rates for Inbound Letter Post Small Packets and Bulky Letters, which the Postal Regulatory Commission issued on June 11, 2021 (the Notice).<sup>1</sup> In the Notice, the Commission preliminarily determined that the specific self-declared rates for the Postal Service’s inbound letter post small packets and bulky letters product (E-format letter post) “should be unsealed shortly after the Universal Postal Union [UPU] publishes these rates.”<sup>2</sup>

The specific rates now at issue are those that will take effect on January 1, 2022. Similarly, the Commission twice previously ordered the Postal Service to unseal the specific E-format letter post rates that took effect on July 1, 2020, and January 1, 2021, also shortly after the UPU published them.<sup>3</sup> The Postal Service duly complied with both of the Commission’s earlier orders. In again determining that the Postal Service must unseal the specific rates only “shortly after” the UPU issues its Circular notice (similar to

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<sup>1</sup> Notice of a Preliminary Determination to Unseal Self-declared Rates for Inbound Letter Post Small Packets and Bulky Letters, Order No. 5917, Docket No. CP2021-94 (June 11, 2021). Responses to the Notice were originally due on Friday, June 18; however, the Commission was closed on Friday, June 18, for the Federal holiday.

<sup>2</sup> Id. at 15.

<sup>3</sup> See Order Nos. 5451 & 5527.

the prior orders for the earlier set of rates), rather than ordering the rates to be unsealed any earlier than that point in time, the Commission has appropriately recognized the commercial harm that a compelled disclosure (at least prior to the Circular's issuance) would cause the Postal Service.

Nevertheless, the Postal Service disagrees with the Notice to the extent that it orders the compelled public disclosure of the rates at all (i.e., following the issuance of the UPU Circular). That is, the Postal Service does not concur that its commercial harm from public disclosure ends upon issuance of the UPU Circular. To be clear, the UPU does not "publish" the Circular publicly; to the contrary, the Circular is typically available to UPU operators on a password-protected portion of its website. As such, compelled disclosure of the Postal Service's inbound UPU rates, for example, provides an unfair competitive advantage to private competitors even after issuance of the UPU Circular, particularly to the extent that the Postal Service does not have comparable public access to its competitors' rates.

Although the Postal Service acknowledges that the Commission's Notice appears facially the same as in the past, the circumstances have changed. The Postal Service's self-declared E-format rates have now been in effect for nearly a year since they first took effect in July 2020. As a competitive product in a competitive marketplace, volumes have been suppressed. Although the effects of the COVID-19 pandemic on postal products have been mixed, there can be no doubt that the significant increase in terminal dues rates after the self-declared rates took effect had a suppressive effect on the Postal Service's E-format volumes during the past 12 months. Also, the Commission's prior determinations to disclose E-format rates publicly no doubt

contributed to these declines and made them more precipitous, as the Postal Service had feared.

In short, the Commission should recognize these changed circumstances and should cease ordering compelled public disclosure of these competitive product rates.

Respectfully submitted,

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